

**NATIONAL POLICY
ON
URBAN STREET VENDORS**

REPORT & RECOMMENDATIONS

May 2006

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Chapter 1

Preface

1.1 In its National Common Minimum Programme, the United Progressive Alliance (UPA) Government, which was elected in 2004, stated that:

“The UPA government is firmly committed to ensure the welfare and well-being of all workers, particularly those in the unorganized sector who constitute 93% of our workforce. Social security, health insurance and other schemes for such workers like weavers, handloom workers, fishermen and fisherwomen, toddy tappers, leather workers, plantation labour, beedi workers, etc will be expanded.”

1.2 In line with the commitment made by the United Progressive Alliance (UPA) Government, in the National Common Minimum Programme, the National Commission for Enterprises in the Unorganised Sector was set up, under the Chairmanship of Dr. Arjun Sengupta, in September 2004 with the mandate to examine the problems of small enterprises and suggest measures to overcome them. The Terms of Reference mandate the Commission, amongst others to;

- i. *Identify constraints faced by small enterprises with regard to freedom of carrying out the enterprise, access to raw materials, finance, skills, entrepreneurship development, infrastructure, technology and markets and suggest measures to provide institutional support and linkages to facilitate easy access to them; and*
- ii. *Suggest the legal and policy environment that should govern the informal/unorganized sector for growth, employment, exports and promotion.*

1.3 While the Commission was engaged in the exercise of identifying constraints faced by small and micro enterprises and suggesting measures to overcome them, the Prime Minister’s Office requested the Commission to examine and comment on priority on the National Policy on Urban Street Vendors prepared in early 2004.

1.4 The Commission has considered the views made available by the various stakeholders. The Commission’s recommendations are now being provided to the Hon’ble Minister of State (I/C) for Urban Employment and Poverty Alleviation for further action, to consider and implement the same.

Chapter 2

Background

2.1 Street vendors form a very important component of the urban informal sector in India. According to a study conducted during 1999-2000, by the National Association of Street Vendors of India (NASVI), Mumbai has the largest number of street vendors numbering around 250,000. Kolkatta has more than 150,000 street vendors. Ahmedabad and Patna have around 80,000 each and Indore, Bangalore and Bhubaneshwar have around 30,000 street vendors.

2.2 In order to find out the total number of street vendors, the Commission has computed the data available in the 55th round of National Sample Survey conducted during 1999-2000. There are two ways of estimating these numbers. According to the first, workers engaged in retail trade according to their location of work were identified, the details of which are given in Table 1 below. As per the Table, 43.64 lakh workers are engaged in retail trade either in rural or urban streets or without any fixed place of work. The second method is to estimate the number of street vendors by identifying workers who describe themselves as *street vendors and boot polishers* working in different locations including urban/ rural streets or without any fixed location. Table 2 gives the details of these estimates at 30.50 lakh workers. If we identify those who describe themselves as street vendors working in urban/rural streets and without any fixed location, the total number will come down to 13.87 lakh. As per these estimates, the total number of street vendors (1999-2000) would range from 30 to 43 lakh both in rural and urban areas. For urban areas alone, it would range between 17 to 25 lakh. The difference between the lower and the higher estimate might be due to the fact that a number of 'workers engaged in retail trade and working in streets or without any fixed place of work' do not describe themselves as street vendors.

TABLE- 1.

Distribution of workers based on location of work place for retail trade (NIC-52) by sex and residence (in Lakh)									
	Rural			Urban			Combined		
Location	M	F	Total	M	F	Total	M	F	Total
Without fixed place	10.39	1.79	12.18	9.64	3.43	13.07	20.03	5.22	25.25
Rural: street with fixed	4.88	0.91	5.79	1.34	0.34	1.69	6.22	1.26	7.48

location									
Urban: street with fixed location	0.67	0.04	0.71	8.59	1.62	10.21	9.26	1.66	10.92
Total	15.93	2.74	18.68	19.58	5.39	24.97	35.51	8.13	43.64

TABLE- 2.

Distribution of workers(street vendors and boot polishers) by location sector and sex (NCO 431 & 599) (in Lakh)									
	Rural			Urban			Combined		
Location	M	F	Total	M	F	Total	M	F	Total
Without fixed place	4.00	0.62	4.62	3.36	0.86	4.21	7.36	1.47	8.83
Rural: Street with fixed location	1.22	0.32	1.54	0.36	0.23	0.58	1.58	0.54	2.12
Urban: Street with fixed location	0.23	0.02	0.25	2.01	0.64	2.66	2.24	0.67	2.91
Total	5.46	0.95	6.41	5.72	1.73	7.45	11.18	2.68	13.87
All Locations	11.24	2.07	13.31	14.33	2.86	17.19	25.57	4.93	30.50

Source: Computed from NSSO 55th round 1999-2000.

Note: Workers covered belong to both Usual Principal status and Subsidiary status.

2.3 In most Indian cities the urban poor survive by working in the informal sector primarily due to poverty, but also due to a variety of factors such as lack of gainful employment in the rural areas, shrinkage of employment in the formal sector, and low levels of skill and education required for the better paid jobs in the formal sector. Street vendors are mainly those who are unsuccessful or unable to get regular jobs. They try to solve their problems through their own meagre resources. The NASVI study mentioned above report an average earning for street vendors (in 2000) between Rs. 40 and Rs. 80 per day, for work over 10 hours a day, under gruelling conditions.

2.4 Street vendors are regarded as public nuisance and it is aggressively argued for restoration of pavements as public space when street vendors 'encroach' on them. The Supreme Court in the Sodhan Singh versus NDMC, 1989 case ruled that:

"If properly regulated according to the exigency of the circumstances, the small traders on the side walks can considerably add to the comfort and convenience of the general public, by making available ordinary articles of everyday use for

a comparatively lesser price. An ordinary person, not very affluent, while hurrying towards his home after a day's work can pick up these articles without going out of his way to find a regular market. The right to carry on trade or business mentioned in Article 19(1)g of the Constitution, on street pavements, if properly regulated cannot be denied on the ground that the streets are meant exclusively for passing or re-passing and no other use."

2.5 This decision of the Supreme Court has emphasized several important aspects of street vending and use of public space and notes the positive role of street vendors in providing essential commodities to common people at affordable prices and at convenient places. It also notes that street vending cannot be denied merely on the ground that pavements are meant exclusively for pedestrians and that street vendors are exercising their constitutional right to carry out trade or business. Hence it should be regulated properly and not abolished.

2.6 In a recent decision of 'Sudhir Madan & others versus MCD & others' 2006 the Supreme court has ruled that:

"We have also to keep in mind the principle that the right to use the pathway, footpath etc. is that of the citizens. No hawker can claim a right to defeat the rights of other citizens. The hawkers are large in number, but the population of citizens is many times more than that of hawkers and, therefore, the fundamental rights of the citizens cannot be put in jeopardy by permitting hawkers and squatters to block roads, footpaths, public parks, etc., etc. The Authority, which frame a scheme, has to keep this paramount consideration in mind. Consistent with the rights of citizens, if it is possible to provide any space to hawkers, squatters etc., that may be done consistent with the policy to be framed by the concerned Authority. The Authority will have to consider on what principles hawking and no hawking zone have to be carved out. It will also have to consider in which zones no hawking activity can be permitted. It will also have to consider what nature of goods can be sold by hawkers, squatters, etc. so that cleanliness is maintained and at the same time free flow of traffic and movement of pedestrians is not obstructed....."

2.7 This decision gives further emphasis on, location of the Street Vendors in a planned manner so that the Street Vendors carry on their business without obstructing the free flow of traffic or movement of pedestrians. The Commission while suggesting the policy as enumerated in the following pages has ensured that it is conformity with the letter and spirit of the observations of the Supreme Court on the subject.

2.8 Despite the Supreme Court's rulings, street vendors conduct their business amidst insecurity. Whenever eviction drives are conducted their

wares are confiscated or even destroyed. Section 34 of the Police Act empowers the police to remove any obstructions on the streets. Even licensed street vendors can be evicted under this law. In order to overcome these restrictions street vendors organize themselves into unions or local associations who negotiate with the local authorities (the officers in the municipal wards and police stations) for occupying public space. This invariably means offering rents (bribes) to the authorities for warding off eviction drives or forewarning them of impending drives. There are other forms of extracting rents. In some cases local musclemen, more often than not with the backing of local political leaders, collect protection fees through threats. The above mentioned Act is a classic example of how a well meaning Act for peaceful civic life has become a source of rent-seeking through extraction of bribes.

2.9 In order to evolve a National Policy on Urban Street Vendors the Commission has had interaction with different stakeholders such as National Alliance for Street Vendors of India (NASVI), Self Employed Women's Association (SEWA), and Manushi and considered the comments received on the 2004 draft. The main suggestions from them are as follows:

- (a) The stakeholders expressed their concern on the continuing harassment of street vendors and lack of security for carrying on their business despite the landmark judgment of the Supreme Court recognizing freedom of profession as one of the fundamental rights.
- (b) They expressed their preference for direct relationship with the Urban Local Bodies for payment of fees and other dues and asked for immediate discontinuance of the practice of farming out of *Tehbazari (fee)* to contractors and other intermediaries, as it results in exploitation of street vendors by anti-social elements. It has been their experience that *Tehbazari (fee)* contracts are captured by the mafia enjoying political/bureaucratic patronages, who exploit the street vendors with impunity.
- (c) They suggested that the prescribed license fees could be paid at the designated banks directly by the vendors.
- (d) They sought an immediate end to eviction of street vendors and the practice of confiscation of their goods.
- (e) They demanded that identity cards specifying the authorized place of vending should be issued to all street vendors to enable them to carry on their profession and earn a decent livelihood. For this purpose, they suggested that city-wise census of street vendors should be carried out, followed by regular updating of the database.
- (f) They suggested that the Town Vending Committees should be made responsible for allocation of space to the street vendors. These Committees may also determine the fee to be charged from the street vendors considering the local conditions. The right of every vendor to

ply his trade should be recognized and in case of a conflict, the Town Vending Committees should be empowered to decide on the allocation of space. If there is a shortage of space, vending space should be allotted in new sectors on payment of the prescribed fees. The fees collected should be used for the welfare of the street vendors.

- (g) They stressed the need for legal protection to Street Vendors who are registered and have paid the prescribed fee. They demanded the imposition of stiff penalties on the policemen and municipal employees, who attempt to evict any registered vendor.
- (h) They were of the opinion that the street vendors would be willing to contribute to specially designed schemes for providing insurance cover for their assets and for taking care of such contingencies and eventualities as death, disability, sickness and old age. The need for provision of basic amenities such as water and toilet facilities at the vending sites was also stressed upon.

2.10 Based on its interaction with the stakeholders and on consideration of the comments received, the Commission is of the view that the 2004 policy required revision on important aspects of the mechanism of implementation of the policy. The overarching objective to be achieved through this Policy is to *provide and promote a supportive environment for earning livelihoods to the vast mass of urban Street Vendors while ensuring that such activity does not lead to overcrowding and unsanitary conditions in public spaces and streets.*

2.11 The important changes suggested by the Commission and incorporated in the National Policy on urban Street Vendors are as under:

2.11.1. Considering the resistance by Resident Welfare Associations (RWAs), street vending in private areas has been recommended only with the consent of the residents.

2.11.2. The centre piece of this Policy is the role of Town Vending Committees (TVCs) to be constituted on a Ward-wise basis for all towns by the Municipal Authorities. This would make the entire process and thereby the Policy participatory, more near to the ground level realities, take care of the local conditions and more particularly the Ward they represent and, take into account the local knowledge to arrive at a consensus for resolution of disputes. The earlier policy recommended ward-wise TVCs only for bigger towns and was silent on the point as to who would constitute it.

2.11.2.1 The Commission recommends a revised composition of the TVCs wherein it feels that market associations, traders' associations and RWAs have no role to play.

2.11.2.2 The Commission recommends the following functions for the TVCs:

- a) *Registration of the Street Vendor and ensuring issue of the identity card to the Street vendor after its preparation by the Municipal Authority;*
- b) *Monitor the facilities to be provided to the street vendors by the Municipal Authorities;*
- c) *Identify areas for hawking with no restriction, areas with restriction with regard to the dates, days and time, and, areas which would be marked as no-vending zones;*
- d) *Set the terms and conditions for hawking;*
- e) *Take corrective action against defaulters; and,*
- f) *Collect revenue.*

2.11.2.3 In order to implement the decisions of TVCs, the concerned Municipal Authority shall appoint an official, who shall act as the Convenor of the TVCs as well as be responsible for implementing its decisions.

2.11.2.4 The functions as specified in the earlier policy were not so elaborate and there was no mechanism suggested for implementation of the decisions of the TVCs.

2.11.3. The demarcation of hawking zones should be city/town specific. Therefore, this Policy recommends conducting surveys of street vendors and their location by competent professional institutions.

2.11.4. As regards allocation of space, the Commission recommends that the Municipal Authorities should regulate allocation of space based on previous occupancy. If the number of applicants exceeds the number of spaces available, a transparent system of selection such as lottery should be followed. All allotments should be based on payment of a prescribed fee fixed by the Municipal Authorities based on the recommendation of the TVCs. The earlier policy recommended the allocation by lottery and fee wherein the market forces would curtail the number of vendors.

2.11.5. A system of registration of hawkers and issue of Identity Cards with revised details is recommended. Such Cards are to be issued by the TVCs.

2.11.6. To encourage the street vendors to obtain registration as envisaged in this Policy and to provide them opportunities for upward occupational mobility, the Commission recommends that the registered street vendor shall have preference of allotments whenever licenses are issued by the Municipal Authorities for setting up new shops, depending on the length of registration.

2.11.7. The Commission recommends the collection of revenue by Municipal Authorities through TVCs which would ensure that it is based on a predetermined rate of fee. If complaints on this account are registered with the TVCs, adequate measures should be taken to redress the same.

2.11.8. The Commission suggests a detailed monitoring mechanism at three levels: (a) TVCs at the Ward level; (b) Chief Executive Officer at the Municipal level, and (c) concerned official at the State level. This is very important as

legislation without proper implementation would not redress the grievances of this vast mass of street vendors.

2.11.9. As regards eviction, the Commission feels that it is resorted to by the Municipal Authorities on the ground that they cause danger, obstruction or injury to any person in any public way or public line of navigation under section 283 of the IPC (danger or obstruction in public way or the line of navigation) and under section 34 of the Police Act. These two provisions create contradiction between a legal 'licensed' vendor and 'illegal' obstruction or causing nuisance, resulting in physical eviction of even licensed vendors. To redress the situation experienced by the street vendors, the Commission recommends that, the Central Government may amend Section 283 of the IPC and Section 34 of the Police Act, to exempt the street vendors from their purview with reasonable restrictions. Such reasonable restrictions are specified by the Commission. In the view of the Commission such reasonable restrictions should specify the areas where the exemptions from the two Sections shall not apply in larger public interest. It shall also specify the month, day, date and time during which the exemption shall not apply.

2.11.9.1 **Mechanism of Eviction:** The Commission suggests a mechanism of eviction by due notice for clearing of space as first step, and in the second step, if the space is not cleared in the notified time, fine should be imposed. If the space is not cleared even after the notice and imposition of fine, only then eviction should be resorted to.

2.11.9.2 In regard to the confiscated goods, the Commission suggests that the street vendors shall be entitled to get their goods back within a reasonable time on payment of prescribed fee, determined by the TVCs.

2.11.10. The Commission recommends measures of self regulation by the street vendors in matters of hygiene and cleanliness.

2.11.11. As regards social security, the Commission recommends the application of legislation on Social Security for Unorganised Sector Workers as promised in the National Common Minimum Programme for which it has recommended the 'Unorganised Sector Workers Social security Bill, 2005'.

2.11.12. The Commission also recommends the applicability of legislation in the 'Unorganised Sector Workers (Conditions of Work & Livelihood Promotion) Bill, 2005' to address issues relating to livelihood promotion of street vendors.

2.11.13. As regards access to credit and insurance, the Commission recommends that TVCs be entrusted with the responsibility of disseminating information pertaining to availability of credit, especially providing micro credit and link the street vendors with the credit giving institutions.

2.11.13.1 The Commission recommends extension of financial arrangements under the Credit Guarantee Fund Scheme for small industries (CGTSI), designed by the Ministry of Small Scale Industries, Government of

India and the Small Industries Development Bank of India (SIDBI) to the Street Vendors, with suitable modifications, to enhance their credit off take in the system. It is recommended that in the CGTSI scheme a further risk coverage of 10% may be built in for street vendors to enable the banks to enhance credit to this sector and reduce their risk.

2.11.14. The Commission recommends a detailed action plan for various levels namely; Government of India, State Governments, Municipal Authorities, concerned Ministry of the Government of India, for proper and effective implementation of the policy.

2.11.15 The Commission recommends that the TVCs be made responsible for redressal of grievances and resolution of disputes arising amongst the Street vendors or between the Street Vendors and third parties in the implementation of this policy.

Chapter 3

National Policy on Urban Street Vendors

3.1. Introduction:

Street vending as a profession has been in existence in India since times immemorial. According to one study, Mumbai has the largest number of Street Vendors numbering around 250,000, while Delhi has around 200,000. Kolkatta has more than 150,000 Street Vendors and Ahmedabad has around 100,000. Women constitute a large number of Street Vendors in almost every city. ***As per the 55th round of National Sample Survey, workers who describe themselves as street vendors in urban areas working in all locations is around 17 lakh, while workers engaged in retail trade without a fixed place or working in urban streets is around 25 lakh.*** Urban vending is not only a source of employment but provide 'affordable' services to the majority of urban population.

3.1.1. This Policy would like to highlight the ruling of the Supreme Court that "if properly regulated according to the exigency of the circumstances, the small traders on the side walks can considerably add to the comfort and convenience of the general public, by making available ordinary articles of everyday use for a comparatively lesser price. An ordinary person, not very affluent, while hurrying towards his home after a day's work can pick up these articles without going out of his way to find a regular market. The right to carry on trade or business mentioned in Article 19(1) g of the Constitution, on street pavements, if properly regulated cannot be denied on the ground that the streets are meant exclusively for passing or re-passing and no other use."

3.1.2. This Policy would also like to highlight Articles 39 (a) and (b) of the Constitution ***which*** mentions that the State shall in particular direct its Policy so that –

- (a) the citizens, men and women equally, have the right to an adequate means of livelihood.
- (b) the ownership and control of the material resources of the community are so distributed as best to sub-serve the common good.

3.1.3. Street Vendors provide valuable services to the urban population while trying to earn a livelihood and it is the duty of the State to protect the right of this segment of population to earn their livelihood. This Policy aims to ensure that this important section of the urban population finds recognition for its contribution to society, and is conceived of as a major initiative for urban poverty alleviation.

3.1.4. *The role played by the Street Vendors in the economy as also in the society needs to be given due credit. But, the ground reality is such that the Street Vendors are considered as unlawful entities and are subjected to continuous harassment by Police and Municipal Authorities. This situation needs to be redressed taking into account the right to livelihood of this class of working poor and the service they provide to the society.*

3.1.5. *The centre piece of this Policy is the role of Town Vending Committees to be constituted on a Ward-wise basis by the Municipal Authorities (hence forth referred to as TVCs). This would make the entire process and thereby the Policy participatory, more near to the ground level realities, would take care of the local conditions and necessities more particularly the Ward they represent, and, would take into account the local knowledge to arrive at a consensus for resolution of disputes.*

3.2. Definition:

For the purposes of this Policy, a Street vendor is broadly defined as a person who offers goods or services for sale to the public without having a permanent built up structure in a street.

3.2.1. *This Policy recognises three basic categories of Street Vendors. First, those Street Vendors who carry out vending on a regular basis with a specific location; Second, those Street Vendors who carry out vending not on a regular basis and without a specific location, for example, Vendors who sell goods in weekly bazaars during holidays and festivals and so on; Third, the Mobile Street Vendors.*

3.2.2. *Thus, the Street Vendors may be stationary by occupying space on the pavements or other public places and/or private areas (with implicit or explicit consent), or may be mobile in the sense that they move from place to place carrying their wares on push carts or in cycles or baskets on their heads, or may sell their wares in moving bus, etc. In this Policy document, the term urban vendor is inclusive of both traders and service providers, stationary as well as mobile Vendors and incorporates all other local/region specific terms used to describe them, such as, hawkers, pheriwallas, rehri-patri wallas, footpath dukandars, sidewalk traders, etc.*

3.3. Overarching Objective:

3.3.1. *The overarching objective to be achieved through this Policy is to 'Provide and promote a supportive environment for earning livelihoods to the vast mass of urban Street Vendors while ensuring that such activity does not lead to overcrowding and unsanitary conditions in public spaces and streets'.*

3.3.2 Specific Objectives:

The **specific** objectives of the Policy are as following:

- a) **Legal:** To give Street Vendors legal status **by formulating** appropriate laws and providing legitimate hawking zones in urban development/ zoning plans and **ensuring their implementation;**
- b) **Facilities:** To provide facilities for appropriate use of identified space including the creation of hawking zones in the urban development/ zoning plans, **mentioned above;**
- c) **Regulation:** To eschew imposing numerical limits on access to public spaces by discretionary licenses and instead moving to nominal fee-based regulation of access, **where previous occupancy of the space by the Street Vendor for vending purposes, determines the allocation of space.**

The Municipal Authorities should regulate allocation of space based on previous occupancy. If demand for space is in excess of supply, a transparent system of selection such as lottery should be followed. All allotments should be based on payment of a prescribed fee fixed by the Municipal Authorities based on the recommendation of the TVCs.

- d) **Role in distribution:** To make Street Vendors a special component of the urban development /zoning plans by treating them as an integral and legitimate part of the urban distribution system;
- e) **Self Regulation:** ***To promote self-regulation in matters relating to hygiene, including disposal of waste amongst Street Vendors both in the individually allotted areas as well as in areas occupied by the Street Vendors as a whole.***
- f) **Organization:** To promote, if necessary, organizations of Street Vendors e.g. Unions / Co-operatives/ Associations and other forms of organization to facilitate their empowerment;
- g) **Participation:** To set up participatory mechanisms with representation by urban Vendors' organizations, (Unions / Co-operatives/ Associations), Voluntary organizations, **Municipal** Authorities, the police, Residents Welfare Association (RWAs) and others for orderly conduct of urban vending activities;
- h) **Rehabilitation of Child Vendors:** ***to prevent vending by children and seek their rehabilitation where ever such practice exists, in conformity with the Child Labour (Prohibition & Regulation) Act,1986;***
- i) **Social Security:** ***To provide protective Social Security to take care of contingencies such as sickness, maternity and old age;***

- j) **Promotional Measures: to promote access to such services as credit, housing and upgradation of skills. For such promotion, the services of Self Help Groups (SHGs)/ co-operatives/ Federations/ Micro Finance Institutions (MFIs) etc should be encouraged.**

3.4. Elements of the Policy:

3.4.1 Planning Norms:

Following the Supreme Court orders, some cities drafted guidelines for regulating urban vending activities. However, the provisions made so far do not generally recognize the fact that demand for their wares/ services is highly specific and varies as to location and time, manifesting as a natural propensity of Street Vendors to locate in various places at particular times. On the contrary, the present urban planning norms completely disregard the formation of such natural markets. They also do not have implementation systems in place. Planning norms should be supportive of such natural markets.

3.4.1.1 Spatial Planning norms - demarcation of vending zones:

The demarcation of hawking zones should be city/town specific. To make the plans conducive and adequate for the **Street Vendors** of the respective city / town, the following should be adhered to:

- a) It should take into account the natural propensity of the Street Vendors to locate in certain places at certain times in response to patterns of demand for their goods/services. **Therefore, this Policy recommends conducting surveys of Street Vendors and their location by competent professional institutions. This will be sponsored by the Ministry of Urban Employment & Poverty Alleviation/ concerned department of State Governments/ Municipal Authorities.**
- b) City Authorities should provide sufficient spaces, designated as 'Vendors markets' in layout plans at locations of such natural markets, for the number of Street Vendors (static and mobile) which can cater to the demand for their wares / services. **The Municipal Authorities should regulate allocation of space based on previous occupancy. If the number of applicants exceeds the number of spaces available, a transparent system of selection such as lottery should be followed. All allotments should be based on payment of a prescribed fee fixed by the Municipal Authorities based on the recommendation of the TVCs.**
- c) Mobile urban vending should be permitted in all areas even outside the designated Vendors' markets, unless designated as 'no-vending zone' through a participatory process. The 'no-vending zones' may be notified both in terms of location and time.^{1[1]} Locations should not be

designated as 'no-vending' zones for frivolous reasons; the public benefits of declaration of a no-vending zone should clearly outweigh the potential loss of livelihood and non-availability of goods and services that it would involve.

- d) With the growth of city/town every new area should have adequate provisions for Street Vendors.
- e) Designation of Vendors markets / no-vending zones should not be left to the sole discretion of any civic or police authority, but, must be accomplished by a participatory process by **TVCs, to be constituted by the Municipal Authorities. It will consist of the following:**

- (i) **Designated official of Municipal Authorities;**
- (ii) Traffic and Local Police;
- (iii) Public Land Owning Authority;
- (iv) Representative from associations of Street Vendors; and,
- (v) Representative from a **bank in the local area.**

The **Street Vendors'** representatives should preferably constitute at least 25% to 40% of the total number of members of the **TVCs**. At least 1/3rd of the representatives of Street Vendors should be women. Process for selection of Street Vendors' representatives should be based on the following criteria:

- Membership based organisations
 - Financial Accountability
- f) The **concerned TVCs** should ensure that provisions for space for Vendors' markets are pragmatic, consistent with formation of natural markets, sufficient for existing demand for Street Vendors' goods and services, as well as likely increase in line with anticipated population growth.
- g) Provisions of space may include temporary designation as Vendors' markets (e.g. as weekly markets) whose use at other times may be different (e.g. Public Park, parking lot). Timing restriction on urban vending should correspond to the needs of ensuring non-congestion of public spaces / public hygiene.
- h) The **TVCs** should ensure continuation and up-gradation of weekly markets

Other functions of the TVCs are described below:

3.4.1.2 Quantitative Norms: refer to the norms on amount of space to be provided for Vendors' markets. At the town/city level enough space should be designated for Vendors' markets. Each town/city may evolve its own quantitative norms, but after proper surveys.

3.4.1.3 Qualitative guidelines: refer to facilities to be provided at Vendors' markets by the **Municipal Authorities**. They would invariably include:

- (i) Provisions for solid waste disposal;
- (ii) Public toilets to maintain cleanliness;
- (iii) Aesthetic design of mobile stalls/ push carts ;
- (iv) Provision for electricity;
- (v) Provision for drinking water;
- (vi) Provision for protective covers to protect their wares as well as themselves from heat, rain, dust etc; and,
- (vii) Storage facilities including cold storage

TVCs should monitor the implementation and the functioning of these facilities. Shortcomings, if any, will be brought to the notice of the Municipal Authorities by the TVCs.

3.4.2 Registration:

A system of registration of hawkers and non-discretionary regulation of access to public spaces in accordance with the planning standards and nature of trade/ service should be adopted. This is described in greater detail below.

3.4.2.1 Registration System:

- a) The power to register would be vested with the **TVCs**. Upon registration, the Municipal Authority would issue an identity card with Code Number etc. to the Street Vendor, through the TVCs.
- b) All Vendors in each city should be registered at a nominal fee to be decided by the **Municipal Authorities** based on **a** reliable means of identification. There should preferably be no numerical restriction or quotas, or prior residential status requirements of any kind.
- c) Registration should be renewed after every three years.
- d) *The registration process must be simple.*
- e) ***The Vendors will be issued Identity Cards which would contain:***
 - (i) Name, Address and Photograph of the Vendor;***
 - (ii) Name of any one nominee from the family;***
 - (iii) Nature of business; and,***
 - (iv) Category (Stationary /Mobile).***
- f) *Children below 14 years would not be allowed in the card for conduct of business.*

The registered Street vendor shall have preference of allotments whenever licenses are issued by the Municipal Authorities for setting up new shops, depending on the length of registration. This will encourage the Street Vendors to obtain registration as envisaged in this Policy.

This will also provide them opportunities for upward occupational mobility.

3.4.3 Functions of the TVCs:

The TVCs shall perform the following functions:

- a) Registration of the Street Vendors and ensuring issue of the identity card to the Street vendor after its preparation by the Municipal Authority;*
- b) Monitor the facilities to be provided to the Street Vendors by the Municipal Authorities;*
- c) Identify areas for hawking with no restriction, areas with restriction with regard to the dates, days and time, and, areas which would be marked as no-vending zones;*
- d) Set the terms and conditions for hawking;*
- e) Take corrective action against defaulters; and,*
- f) Collect fees or other charges as authorised by the competent authority.*

In order to implement the decisions of TVCs, the concerned Municipal Authority shall appoint an official, who shall act as the Convenor of the TVCs as well as be responsible for implementing its decisions.

3.4.4 Collection of Revenue:

The Street Vendors would be charged a monthly fee for access to various services. There should be direct linkage between the **Municipal Authorities and Street Vendors** for collection of:

- a) Registration fee;
- b) Monthly maintenance charges – differentiated according to location/type of business; and,
- c) Fines and **other charges**, if any.

3.4.4.1. The **TVCs** should be made available a proportion of revenue generated from registration fees and monthly fees from their Ward to run their operations subject to a minimum grant from the **Municipal Authorities**.

3.4.4.2. *The collection of revenue by Municipal Authorities through TVCs should ensure that it is based on a predetermined rate of fee and should not give scope for any kind of extortion. If complaints on this account are registered with the TVCs, adequate measures should be taken to redress the same.*

3.4.5 Monitoring Mechanism:

Monitoring will be carried on at the following levels:

- a) **TVCs : As elaborated in this policy, TVCs will be responsible to monitor the implementation of this policy at the Ward level;**
- b) **Chief Executive Officer of Municipal Authority: Chief Executive Officer of each Municipal Authority shall maintain a register of all TVCs within the Municipality along with a list of registered Street Vendors (stationary/mobile) of each TVC. The Municipal Authority would continuously monitor the functioning and activities of the TVCs and shall send an annual report on the same to the Secretary of the concerned department of the State Government containing the following details:**
 - (i) **Number of registered Street Vendors;**
 - (ii) **Revenue collected;**
 - (iii) **Promotional and other measures undertaken;**
 - (iv) **Complaints registered; and,**
 - (v) **Expenditure incurred.**
- c) **State level: State level official shall send an annual report to the Central Government containing relevant statistics and other details of the TVCs and the conditions of the Street Vendors in the State.**

3.5. Eviction, relocation and confiscation:

One of the major problems faced by the Street Vendors is frequent eviction resorted to by the Municipal Authorities on the ground that they cause danger, obstruction or injury to any person in any public way or public line of navigation under section 283 of the IPC (danger or obstruction in public way or the line of navigation). They also face eviction under section 34 of the Police Act due to the following:

‘Cause obstruction in any street or public place by:

- a) **Allowing animals or vehicle;**
- b) **Leaving any vehicle standing or fastening any cattle in the street or in the public place;**
- c) **Using any part of a street or public place as a halting place for vehicles or cattle;**
- d) **Leaving any box, bale package or other things whatsoever or upon a Street for an unreasonable length of time or contrary to any regulation; and,**
- e) **By exposing anything for sale or setting out anything for sale in or upon any stall, booth, board, cask, and basket or in any other way whatsoever.’**

3.5.1. These two provisions create contradiction between a legal ‘licensed’ vendor and ‘illegal’ obstruction or causing nuisance, resulting in physical eviction of even licensed Vendors.

3.5.2. To redress the situation experienced by the Street Vendors, the Central Government shall amend Section 283 of the IPC and Section 34 of the Police Act, to exempt the Street Vendors from their purview with reasonable restrictions. Such reasonable restrictions shall specify the nature of obstruction that might be caused to the general public. For example, hawking and Street vending in and around hospitals, offices and other important places; obstruction of passage in streets with high vehicular density; etc. Reasonable restriction should specify the areas where the exemptions from the two Sections shall not apply in larger public interest. It shall also specify the month, day, date and time during which the exemption shall not apply.

3.5.3. Corresponding enactments, if necessary, should be carried out by the State Governments and Municipal Authorities within a reasonable period of time, not exceeding one year from the date of announcement of this Policy.

3.5.4. In case, where public obstruction is caused, there should be a mechanism of imposing fines, with due notice for clearing of space. The Street Vendors should be warned/informed before starting the clearing up process. In case, where vending is done in a no- vending zone causing public obstruction, notice of at least few hours to clear the space should be given. In the second step, if the space is not cleared in the notified time, fine should be imposed. If the space is not cleared even after the notice and imposition of fine, only then eviction should be resorted to.

3.5.5. In regard to the confiscated goods, the Street Vendors shall be entitled to get their goods back within a reasonable time on payment of prescribed fee, determined by the TVCs.

3.6. Self regulation:

This Policy advocates collective arrangements initiated by the Street Vendors to redress any harmful effects on the locality caused by the occupation of street vending. These could be waste disposal, hygiene in the area of vending place of the Street vendor as well as in the location occupied for Street vending as a whole.

3.6.1 Hygiene and cleanliness:

Every Street vendor shall keep a waste collection basket in the place of vending. He/She shall contribute/promote to the collective disposal of waste. Similarly public toilet facilities or similar arrangements may also be organized by associations of/for Street Vendors, which may be run on "pay and use" basis. To promote such regulations, Central Government/ State Governments / Municipal Authorities shall encourage organisations of/for Street Vendors, by providing financial assistance.

3.7. Others:

3.7.1 Social Security:

Street Vendors as a group belong to the unorganised sector of the economy. As such, they don't have government-assisted social security. However, in some states, social security schemes such as Old Age Pension and other benefits are being provided through the Welfare Boards and similar bodies. But, their number is very small. There are few Non Government Organisations (NGOs), who organize social security schemes for the Street Vendors. It is the Policy of the Government of India, to extend social security cover in the unorganised sector as a whole, for which the Government is considering legislation as promised in the National Common Minimum Programme. Once this is in place, it shall equally apply to the Street Vendors. The national efforts may be supplemented by the State Governments / Municipal Authorities / organisations off/for Street Vendors.

3.7.2 Promotional Measures:

3.7.2.1 Access to credit and insurance:

Credit is an important requirement in street vending, both to sustain existing activity and to upscale it. Since vendors work on a turnover basis, they often resort to high interest loans from non-institutional sources. Although they usually demonstrate high repayment capacity, absence of collateral and firm domiciliary status usually debars them from obtaining institutional credit.

Self-help groups (SHGs) and organizations of street vendors should be enabled by the Municipal authorities to the banks for access to credit. The TVCs shall disseminate information pertaining to availability of credit, specially micro credit and shall link street vendors with the credit giving institutions. Street vendors should also be assisted in obtaining insurance through Micro-insurance and other agencies.

With respect to credit, the Commission has noted that Ministry of Small Scale Industries, Government of India and the Small Industries Development Bank of India (SIDBI) have designed the Credit Guarantee Fund Scheme for small industries (CGTSI), with a view to resolving the problem of collaterals, and to induce banks to gradually move away from a completely risk-averse stance towards Small Scale Industries. CGTSI guarantees upto 75% of the credit risk subject to loan cap of Rs. 25 lakh and guarantee cap of Rs. 18.75 lakh per borrower.

These financial arrangements may be extended to the Street Vendors, with suitable modifications, to enhance their credit off take in the system. It is recommended that in the CGTSI scheme a further risk

coverage of 10% may be built in for street vendors to enable the banks to enhance credit to this sector and reduce their risk.

The registration done by the TVCs and the domiciliary status confirmed by them on the identity card as also in their records along with the enhanced risk coverage mentioned earlier should make it possible to cover a large number of Street Vendors for institutional credit.

3.7.2.2 Training and Skill up-gradation:

Street Vendors being micro enterprises should be provided with training to upgrade their technical and business skills so as to increase their income as well as to look for alternatives.

3.7.2.3 Other Promotional Measures:

The Government of India is considering legislation as promised in the National Common Minimum Programme for promotion of livelihood of the workers in the unorganised sector. Once this is in place, it shall equally apply to the Street Vendors.

3.8. Organizing the Street Vendors:

To get the benefits of the social security schemes and other promotional measures in an effective manner, it is essential that the Street Vendors form organizations. Trade Unions and other voluntary organisations should take active role and help the Street Vendors to form their organisations by providing counselling and guidance wherever required.

3.9. Role of State Governments:

All State governments should ensure that institutional arrangements, legislative frameworks and other necessary actions achieve conformity with the National Policy for Street Vendors

3.10. Action Plan for stake holders:

- i. It shall be the responsibility of the Government of India to initiate amendments to the IPC and the Police Act as indicated in this Policy.*
- ii. It shall be the responsibility of the State Government to legislate and frame rules on the basis of Central legislation, to suit the local conditions.*

- iii. It shall be the responsibility of the Municipal Authorities to implement legislation and other initiatives as indicated in this Policy.***
- iv. As soon as this Policy comes into force, but not later than one year, the Municipal Authority shall constitute ward wise Town Vending Committees to implement the National Policy at the local level.***
- v. It shall be the responsibility of the concerned Ministry of the Government of India to initiate surveys and studies to build up an adequate data and information base pertaining to the Street Vendors in the metropolitan towns. In addition, the Government of India shall assist such institutions and organisations who come forward to study the problems of Street Vendors in other towns.***
- vi. The State Governments and Municipal Authorities shall also assist institutions and organisations to undertake studies and projects relating to the conditions of Street Vendors as well as planning and implementation of promotional measures for Street Vendors in their respective areas.***

3.11. Dispute Resolution:

The TVCs shall be responsible for redressal of grievances and resolution of any dispute arising amongst the Street Vendors or between the Street Vendors and third parties including municipal officials and policemen in the implementation of this Policy.
